

Honolulu, Hawaii

March 27, 2015

RE: S.B. No. 1180  
S.D. 2  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred S.B. No. 1180, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO METROPOLITAN PLANNING ORGANIZATIONS,"

begs leave to report as follows:

The purpose of this measure is to ensure appropriate statutory authority for metropolitan planning organizations in Hawaii to comply with federal laws. Specifically, this measure, among other things:

- (1) Establishes a new chapter in the Hawaii Revised Statutes with revised requirements for metropolitan planning organizations, in accordance with federal laws and regulations;
- (2) Establishes a metropolitan planning organization revolving fund for each metropolitan planning organization;
- (3) Appropriates an unspecified amount of funds from the State Highway Fund into the metropolitan planning organization revolving fund;
- (4) Appropriates an unspecified amount of funds out of the metropolitan planning organization revolving fund to be



expended by the Department of Transportation for the purposes of this measure; and

- (5) Repeals chapter 279E, entitled "Metropolitan Planning Organization," Hawaii Revised Statutes.

The Councilmember from Council District 6 of the Honolulu City Council, Office of Planning, Department of Planning and Permitting of the City and County of Honolulu, Department of Transportation Services of the City and County of Honolulu, and Oahu Metropolitan Planning Organization (OahuMPO) testified in support of this measure. The Department of Transportation and a concerned individual supported the intent of the measure. The Attorney General, Department of Budget and Finance, Office of Information Practices, and a concerned individual provided comments.

A metropolitan planning organization is a federally mandated and federally funded transportation policy-making organization that is made up of representatives from local government and governmental transportation authorities. Federal transportation legislation requires that a metropolitan planning organization be designated for each urbanized area with a population of more than 50,000 people. As a condition of federal aid, federal transportation legislation also requires that a metropolitan planning organization act as a decision-making agency and receive certain funds in order to carry out a continuing, cooperative, and comprehensive transportation planning process.

Your Committee finds that for urban areas containing more than 200,000 residents, the Federal Highway Administration and the Federal Transit Administration jointly review and certify metropolitan planning organization operations at least every four years. In 2014, a joint certification review of the OahuMPO found that portions of the Hawaii Revised Statutes governing metropolitan planning organizations were in conflict with federal regulations and suggested corrective action, including amending state law to comply with these regulations. This measure is in response to these findings.

Your Committee notes that, according to OahuMPO, failure to address conflicts between state law and federal regulations will result in the decertification of OahuMPO and initiate an immediate withholding of up to 20 percent of the federal surface transportation funds normally attributable to Oahu - an amount



1171

calculated to be around \$12,000,000 annually - impacting both roadway and transit funding.

However, your Committee notes the concerns raised by the Attorney General, Department of Transportation, and Office of Information Practices and these agencies have worked with OahuMPO to address these concerns. As such, your Committee has amended this measure to address these concerns by, among other things:

- (1) Deleting the requirement that a metropolitan planning organization establish banking accounts with federally regulated financial institutions;
- (2) Clarifying that metropolitan planning organizations' policy boards, and not the Department of Transportation, is the decision-making body for the management of transportation management area metropolitan planning organizations;
- (3) Renaming the "Metropolitan Planning Organization Revolving Fund" the "Transportation Management Area Metropolitan Planning Organization Revolving Fund" and making conforming amendments;
- (4) Requiring that member financial dues be deposited into the Revolving Fund;
- (5) Stipulating that moneys in the Revolving Fund be expended by OahuMPO;
- (6) Deleting the requirement exempting metropolitan planning organizations from obtaining an appropriation prior to expending money from their respective revolving fund;
- (7) Ensuring that there are no conflicts between administrative duties of the executive director of a metropolitan planning organization and state and county agencies;
- (8) Removing the requirement that the amount of member financial dues be reviewed at least every three years;
- (9) Removing the requirement that member financial dues paid to a metropolitan planning organization by its member jurisdictions or authorities for purposes of matching federal aid financing do not lapse or expire;



1171

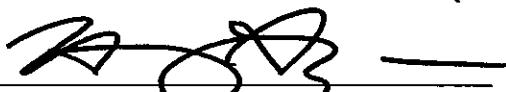
- (10) Deleting the provision that member financial dues charged to the State be paid from the State Highway Fund;
- (11) Requiring that member financial dues received by a metropolitan planning organization be used to fund the unified planning work program to be consistent with current practices and federal requirements;
- (12) Providing a limited exemption to Hawaii's sunshine law to allow members of metropolitan planning organization policy boards to more freely discuss issues that are within the authority of the policy board and also of another body on which they serve; and
- (13) Requiring a metropolitan planning organization to provide annual reports on all its activities to the legislature.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

Should your Committee on Finance consider this measure further, your Committee respectfully requests that it consider only appropriating the sum of \$500,000 for fiscal year 2016-2017, in accordance with testimony provided by the Department of Transportation.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1180, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1180, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Transportation,



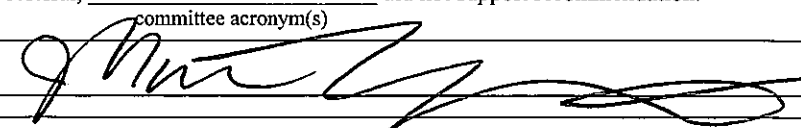
HENRY J.C. AQUINO, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

HSCR 1171

Record of Votes of the Committee on Transportation

Bill/Resolution No.: <u>SB 1180, SD 2</u>	Committee Referral: - <u>TRN, FIN</u>	Date: <u>3/25/15</u>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. AQUINO, Henry J.C. (C)	X			
2. LOPRESTI, Matthew S. (VC)	X			
3. HAR, Sharon E.	X			
4. ICHIYAMA, Linda	X			
5. JOHANSON, Aaron Ling	X			
6. KEOHOKALOLE, Jarrett	X			
7. NAKASHIMA, Mark M.	X			
8. SAN BUENAVENTURA, Joy A.	X			
9. TAKAYAMA, Gregg	X			
10. TAKUMI, Roy M.	X			
11. YAMASHITA, Kyle T.	X			
12. TUPOLA, Andria P.L.				X
TOTAL (12)	11			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				